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AGILE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

DISCLOSEABLE TRANSACTION IN RELATION TO SALE OF EQUITY INTEREST AND SHAREHOLDER'S LOAN

The Board is pleased to announce that on 30 June 2022, the Purchaser, the Agile Subsidiaries, the Project Company, and Guangzhou Panyu have entered into the Framework Agreement, pursuant to which (i) the Agile Subsidiaries shall sell, and the Purchaser along with the Purchaser's Nominated Entity shall acquire, the Equity Interest in the Project Company; and (ii) Sichuan Agile shall sell, and the Purchaser's Nominated Entity shall acquire, the Shareholder's Loan in accordance with the terms of the Framework Agreement.

The Consideration, being the total consideration payable by the Purchaser and/or the Purchaser's Nominated Entity to the Agile Subsidiaries, is RMB764,000,000, which is comprised of (i) the price for the acquisition of the Equity Interest by the Purchaser and the Purchaser's Nominated Entity in the sum of RMB156,204,461.50; and (ii) the price for the acquisition of the Shareholder's Loan by the Purchaser's Nominated Entity in the sum of RMB607,795,538.50. It is intended that the net proceeds from the sale of the Equity Interest and the Shareholder's Loan will be used for general working capital of the Group and its future business development.

Since one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Consideration under the Framework Agreement is above 5% but less than 25%, the entering into of the Framework Agreement by the Group constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

The salient terms of the Framework Agreement are set out below. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties of the Company and its connected persons. Further, whilst to the best knowledge, information and belief of the Board, having made all reasonable enquiries, no entity(ies) have been designated by the Purchaser as the Purchaser's Nominated Entity as of the date of this announcement, the Framework Agreement has stipulated that the Purchaser's Nominated Entity and its ultimate beneficial owners shall be Independent Third Parties of the Company and the Company's connected persons.

THE FRAMEWORK AGREEMENT

The principal terms of the Framework Agreement are set out below:

Date

30 June 2022

Parties

- (a) The Purchaser;
- (b) the Agile Subsidiaries;
- (c) the Project Company; and
- (d) Guangzhou Panyu.

Subject Matter

Prior to the entering into the Framework Agreement, the equity interest in the Project Company is owned as to 90% and 10% by Shanghai Binhu and Sichuan Agile, respectively.

Pursuant to the Framework Agreement, Sichuan Agile shall make the Capital Injection into the registered capital of the Project Company completion of which would result in equity interest in the Project Company being owned as to 62.50% and 37.50% by Shanghai Binhu and Sichuan Agile, respectively.

Following the completion of the Capital Injection, (i) Shanghai Binhu shall sell its 0.01% and 62.49% equity interest in the Project Company to the Purchaser and the Purchaser's Nominated Entity, respectively; and (ii) Sichuan Agile shall sell the Shareholder's Loan and its 37.50% equity interest in the Project Company to the Purchaser's Nominated Entity subject to the terms of the Framework Agreement. Guangzhou Panyu shall become jointly and severally responsible for the prompt and full performance of the obligations and responsibilities of the Agile Subsidiaries under the Framework Agreement.

Completion

The parties to the Framework Agreement shall, following the execution of the Framework Agreement, proceed to complete the relevant documentation to register and effect the transfer of the Equity Interest at the relevant PRC governmental authority as soon as practicable. The Agile Subsidiaries shall procure their appointed legal representative, directors, supervisors, general manager and other members of senior management in the Project Company to resign from their posts to be replaced in their stead by such persons as appointed by the Purchaser and/or the Purchaser's Nominated Entity. Completion of the transfer of Equity Interest shall be deemed to have taken place on the date when the registration of the transfer of Equity Interest, as well as the aforesaid replacement personnel, are completed at the relevant PRC governmental authority. The sale of the Shareholder's Loan shall be deemed to be completed on the date that the transfer of Equity Interest is completed.

Following the completion, the equity interests in the Project Company will be owned as to 0.01% and 99.99% by the Purchaser, and the Purchaser's Nominated Entity, respectively. As the Agile Subsidiaries will no longer have control over the board or shareholders' meetings of the Project Company following the completion, the Directors are of the view that the Project Company will cease to be an indirect subsidiary of the Company upon the completion, and the Project Company's accounts will no longer be consolidated to the Group's account.

Consideration

The Consideration to be paid by the Purchaser and the Purchaser's Nominated Entity for the acquisition of Equity Interest and the Shareholder's Loan is RMB764,000,000, with RMB156,204,461.50 as the Acquisition Price, and RMB607,795,538.50 as the consideration for the Shareholder's Loan. The Consideration was determined at arm's length with reference to (among other matters) (i) the unaudited net liability value of the Project Company as at 24 June 2022 of approximately RMB277,292,000 (and having considered the Project Company's unaudited net asset value being expected to be approximately RMB162,708,000 after the Capital Injection); (ii) the historical sales performance of and development cost incurred by the Project Company and the assets and liabilities of the Project Company; and (iii) the business development and prospects of the Project Company (including but not limited to the potential value, capacity, equipment installed for and future development plans of the Project invested and developed by the Project Company).

The Consideration shall be paid in two stages as further detailed below.

The first stage payment of the Consideration in the sum of RMB454,000,000 shall be payable by the Purchaser and the Purchaser's Nominated Entity to the Agile Subsidiaries within two working days upon the fulfillment of, amongst others, the following condition precedents unless waived by the Purchaser in writing:

- (a) the Framework Agreement having been signed by the relevant parties and remain in effect;
- (b) the Agile Subsidiaries having obtained the prior written consent from the Project Company's external financiers approving the proposed sale of the Equity Interest and Shareholder's Loan;
- (c) the completion of the Capital Injection by Sichuan Agile;
- (d) the Project Company having offset any outstanding liabilities owed between Sichuan Agile and the Project Company, such that the net amount owing by the Project Company to Sichuan Agile would become the Shareholder's Loan;
- (e) the Agile Subsidiaries, the Project Company, and Guangzhou Panyu having obtained the relevant corporate authorisations to perform the transactions contemplated under the Framework Agreement;
- (f) Sichuan Agile having executed the relevant documentation to transfer the Shareholder's Loan to the Purchaser's Nominated Entity;
- (g) (i) the transfer of the Equity Interest; and (ii) the replacement personnel including the legal representative, directors, supervisors, general manager and other members of senior management in the Project Company as appointed by the Purchaser and/or the Purchaser's Nominated Entity having been registered at the relevant PRC governmental authority;
- (h) there remains no breach on the terms of the Framework Agreement by the Project Company and the Agile Subsidiaries; and
- (i) all of the warranties and representations made by the Agile Subsidiaries under the Framework Agreement remaining valid, and that it has not come to the Purchaser's attention that there are existing and/or anticipated adverse material change that might affect the completion of the transactions contemplated under the Framework Agreement.

The second stage payment of the Consideration in the sum of RMB310,000,000 shall be comprised of (i) RMB270,000,000, which shall be reduced by any costs and expenses associated with the delay in the completion of the Project up to and including 31 December 2024; and (ii) RMB40,000,000 subject to adjustment (if any), which shall be payable by the Purchaser and the Purchaser's Nominated Entity upon the settlement of mainly construction related payments.

Financial information of the Project Company

Based on the unaudited financial statements of the Project Company for the two (2) financial years ended 31 December 2021, the net profit/(loss) of the Project Company were as follows:

	For the financial year ended 31 December 2020 (unaudited) (approximately)	For the financial year ended 31 December 2021 (unaudited) (approximately)
Net profit/(loss) before taxation	RMB18 million	(RMB70 million)
Net profit/(loss) after taxation	RMB18 million	(RMB85 million)

The unaudited net liability value of the Project Company as at 24 June 2022 was approximately RMB277,292,000.

It is expected that upon completion of the transactions contemplated in the Framework Agreement, the Company will record an estimated loss of approximately RMB6,504,000, which is calculated with reference to the fair value of approximately RMB156,204,000 of the 100% equity interest in the Project Company held by the Company as of the date of the Framework Agreement, minus the Project Company's unaudited net assets of approximately RMB162,708,000 as held by the Company and having taken into account the Capital Injection.

The fair value of the Project Company represents the fair value of equity interest sold in the Project Company (i.e. the consideration incurred therein). The actual loss to be recorded by the Company is subject to audit.

It is intended that the net proceeds from the sale of the Equity Interest and the Shareholder's Loan will be used for general working capital of the Group and its future business development.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

Having regard to the prevailing market conditions as well as the increasingly challenging operating environment of the property industry in the PRC, and in light of the underperformance of sales by the Project Company and the continuing rising costs of the Project, the Directors consider that the entering into of the Framework Agreement would provide immediate cash inflow to the Group after the disposal of its interests in the Project Company, and thereby enhance the liquidity of the Group and facilitate the Group to meet its working capital requirements for future business development.

In view of the above, the Directors are of the view that the terms of the Framework Agreement are fair and reasonable and entering into of the same by the Group is in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION ABOUT THE PROJECT AND ALL PARTIES

Information of the Project

The Project involves the development and construction of a residential and commercial complex by the Project Company situated at the four blocks of land situated at Liangjiang New District, Chongqing City, the PRC, comprising of plot A21-4-2/06, plot A21-4-1/06, plot A22-1/06 and plot A22-2/06, with the total land use right covering 138,393.90 square meters.

Information of Project Company

The Project Company is a company established in the PRC with limited liability on 22 September 2017. Prior to the entry into the Framework Agreement, the equity interest of the Project Company is held by Shanghai Binhu and Sichuan Agile as to 90% and 10%, respectively. Following the completion of the Capital Injection but before the completion of the sale of Equity Interest, the equity interest of the Project Company would be held by Shanghai Binhu and Sichuan Agile as to 62.50% and 37.50%, respectively. Its principal business is real estate development.

Information of the Agile Subsidiaries

Information of Shanghai Binhu

Shanghai Binhu is a company established in the PRC with limited liability on 30 March 1994 and is a 100% controlled indirect wholly-owned subsidiary of the Company. Prior to the entry of the Framework Agreement, Shanghai Binhu held 90% equity interest in the Project Company. Following the completion of the Capital Injection but before the completion of the sale of Equity Interest, Shanghai Binhu would be holding 62.50% equity interest in the Project Company. Its principal businesses are real estate development, hotel management, provision of tourism development project planning consultation services, provision of miniature facilities for leisure activities in parks and at scenic spots, operation of sporting ground facilities, landscaping project constructions, provision of information and human resources services, construction engineering, sale of construction materials, retail sales in sport goods and equipment, and sale of daily necessities.

Information of Sichuan Agile

Sichuan Agile is a company established in the PRC with limited liability on 12 July 2006 and is a 100% controlled indirect wholly owned subsidiary of the Company. Prior to the entry of the Framework Agreement, Sichuan Agile holds 10% equity interest in the Project Company. Following the completion of the Capital Injection but before the completion of the sale of Equity Interest, Sichuan Agile would be holding 37.50% equity interest in the Project Company. Its principal businesses are the development of residential properties and the construction and operation of hotels.

Information of Guangzhou Panyu

Guangzhou Panyu is a company established in the PRC with limited liability on 27 March 2000 and an indirect wholly-owned subsidiary of the Company. Its principal businesses are the development and management of real properties, and provision of real property consultancy services and property rental services.

Information of the Group

The Group is one of the leading property developers in the PRC and is principally engaged in the development of large-scale mixed-use property projects, with extensive presence in the businesses of property management, environmental protection and commercial.

Information of the Purchaser

The Purchaser is a company established in the PRC with limited liability on 11 January 2022. The Purchaser is an indirect wholly-owned subsidiary of 北京首創城市發展集團有限公司 (Beijing Shouchuang Urban Development Group Co., Ltd.***) (“**Beijing Shouchuang**”), which is a company incorporated in the PRC with limited liability and which is one of the leading large-scale real estate integrated operators in the PRC. Beijing Shouchuang is in turn wholly owned by 北京首都創業集團有限公司 (Beijing Capital Venture Group Co., Ltd.***), a company incorporated in the PRC with limited liability which is in turn directly owned by The People’s Government of Beijing Municipality and directly supervised by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality. The Purchaser’s principal business includes real estate development, and provision of advisory services in relation to corporate management and social economics. Pursuant to the terms of the Framework Agreement, it will be acquiring 0.01% Equity Interest from Shanghai Binhu.

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties of the Company and its connected persons.

Information of the Purchaser's Nominated Entity

The Purchaser's Nominated Entity shall be comprised of one or more of the entities (whether in the form of a corporation or otherwise) as designated by the Purchaser to be the transferee of the Shareholder's Loan and the 99.99% Equity Interest pursuant to the terms of the Framework Agreement. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, no entity(ies) have been designated by the Purchaser as the Purchaser's Nominated Entity as of the date of this announcement. Pursuant to the terms of the Framework Agreement, the Purchaser's Nominated Entity and its ultimate beneficial owners shall be Independent Third Parties of the Company and the Company's connected persons.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Consideration under the Framework Agreement is above 5% but less than 25%, the entering into of the Framework Agreement by the Group constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Acquisition Price”	the price for the acquisition of Equity Interest by the Purchaser and the Purchaser's Nominated Entity, in the sum of RMB156,204,461.50;
“Agile Subsidiaries”	Shanghai Binhu and Sichuan Agile;
“Board”	the board of Directors of the Company;
“Capital Injection”	the capital injection of RMB440,000,000 to be made by Sichuan Agile to the registered capital of the Project Company pursuant to the terms of the Framework Agreement such that following the completion of such capital injection, the equity interest in the Project Company would be owned as to 62.50% and 37.50% by Shanghai Binhu and Sichuan Agile, respectively;
“Company”	Agile Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code 3383);
“connected person”	has the meaning ascribed to it in the Listing Rules;

“Consideration”	RMB764,000,000, being the total consideration payable by the Purchaser and/or the Purchaser’s Nominated Entity to the Agile Subsidiaries, being the sum of Acquisition Price and Shareholder’s Loan;
“Directors”	the directors of the Company;
“Equity Interest”	(i) the 0.01% and 62.49% equity interest in the Project Company to be sold by Shanghai Binhu to the Purchaser and the Purchaser’s Nominated Entity, respectively; and (ii) the 37.50% equity interest in the Project Company to be sold by Sichuan Agile to the Purchaser’s Nominated Entity following the completion of the Capital Injection;
“Framework Agreement”	the conditional framework agreement dated 30 June 2022 and entered into amongst the Purchaser, the Agile Subsidiaries, and the Project Company concerning, amongst others, the (i) Capital Injection; and (ii) sale and purchase of the Equity Interest and the Shareholder’s Loan;
“Group”	the Company and its subsidiaries;
“Guangzhou Panyu”	廣州番禺雅居樂房地產開發有限公司 (Guangzhou Panyu Agile Realty Development Co., Ltd.***), a company established in the PRC with limited liability on 27 March 2000 and an indirect wholly-owned subsidiary of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	person(s) or company(ies) who/which is (are) independent of the Company and its connected person(s);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan;
“Project”	the development and construction of a residential and commercial complex by the Project Company situated at the four blocks of land situated at Liangjiang New District, Chongqing City, the PRC, comprising of plot A21–4–2/06, plot A21–4–1/06, plot A22–1/06 and plot A22–2/06, with the total land use right covering 138,393.90 square meters;

“Project Company”	重慶雅錦房地產開發有限公司 (Chongqing Yajin Real Estate Development Co., Ltd.***), a company established in the PRC with limited liability on 22 September 2017 and is, as at the date of this announcement, a 100% controlled indirect wholly-owned subsidiary of the Company;
“Purchaser”	首金新創(北京)置業發展有限公司 (Shoujin Xinchuang (Beijing) Real Estate Development Co., Ltd.***), a company established in the PRC with limited liability on 11 January 2022;
“Purchaser’s Nominated Entity”	one or more of the entities (whether in the form of a corporation or otherwise) to be designated by the Purchaser to be the transferee of the Shareholder’s Loan and the 99.99% Equity Interest pursuant to the terms of the Framework Agreement. To the best knowledge, information and belief of the Board, having made all reasonable enquiries, no entity(ies) have been designated by the Purchaser as the Purchaser’s Nominated Entity as of the date of this announcement. Pursuant to the terms of the Framework Agreement, the Purchaser’s Nominated Entity and its ultimate beneficial owners shall be Independent Third Parties of the Company and the Company’s connected persons;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Binhu”	上海濱湖旅游發展有限公司 (Shanghai Binhu Tourism Development Co., Ltd.***), a company established in the PRC with limited liability on 30 March 1994 and is a 100% controlled indirect wholly-owned subsidiary of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Shareholder’s Loan”	RMB607,795,538.50 to be sold by Sichuan Agile to the Purchaser’s Nominated Entity, being the net amount (interest free) owed by the Project Company to Sichuan Agile following the offsetting of any outstanding liabilities owed between Sichuan Agile and the Project Company pursuant to the Framework Agreement;
“Shares”	ordinary share(s) in the capital of the Company with a nominal value of HK\$0.10 each;
“Sichuan Agile”	四川雅居樂房地產開發有限公司(Sichuan Agile Real Estate Development Co., Ltd.***), a company established in the PRC with limited liability on 12 July 2006 and is a 100% controlled indirect wholly-owned subsidiary of the Company;

“Stock Exchange” The Stock Exchange of Hong Kong Limited; and
“%” per cent.

By Order of the Board
Agile Group Holdings Limited
CHEUNG Lap Kei
Company Secretary

Hong Kong, 30 June 2022

As at the date of this announcement, the Board comprises eleven members, being Mr. Chen Zhuo Lin (Chairman and President), Mr. Chan Cheuk Yin** (Vice Chairperson), Madam Luk Sin Fong, Fion** (Vice Chairperson), Mr. Chan Cheuk Hung*, Mr. Huang Fengchao*, Mr. Chan Cheuk Hei**, Mr. Chan Cheuk Nam**, Dr. Cheng Hon Kwan[#], Mr. Kwong Che Keung, Gordon[#], Mr. Hui Chiu Chung, Stephen[#] and Mr. Wong Shiu Hoi, Peter[#].*

* *Executive Directors*

** *Non-executive Directors*

Independent Non-executive Directors

*** *for translation and identification purposes only as there is no official English translation or name*